

6-1976

Beacon Light: June 1976

St. Cloud Hospital

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Volume XXV, Number 10

June, 1976

Budget expands to cover increasing costs

The St. Cloud Hospital's annual budget, calling for a 2.6 million increase in operating expenses has been submitted to the Minnesota Hospital Association (MHA) where it will undergo analysis by a voluntary rate review panel on July 8. The budget proposes a rate increase averaging 11½ percent to meet the projected operating expenss for the upcoming fiscal year. The new rates will take effect July 1. Room and care rates will go up \$11 to \$79 per day for semi private accommodations. Charges for other services such as surgery, anesthesia, recovery room and emergency-outpatient services will also increase.

"We have tried to keep increases

in rates to a minimum," said Gene S. Bakke, St. Cloud Hospital Executive Vice President. "But there have simply been too many increases in our costs of operation to keep our charges any lower," he said.

Bakke referred to an \$87,000 increase in Social Security taxes, increases in retirement, program costs as well as Health liability insurance totaling \$335,000 plus termination of a \$219,000 grant which covered part of the staffing expenses for the Hospital's Mental Health Unit as major reasons for the increased cost of operating the Hospital.

Bakke also listed increases in the cost of supplies and utilities plus additional hours required because of an expanded volume of services and an annual wage adjustment for the hospital's 1450 employees as other major reasons for the increased budget.

"The budget we have submitted is well within the guidelines established by the MHA's rate review program," Bakke indicated, "and we are confident our entire budget will be approved."

Rate review was mandated by the State Legislature under a bill designed to provide Minnesotans with both conventional and catastrophic health insurance. Hospitals were given the choice of choosing the

MHA's voluntary program or a state program. Bakke was President of the MHA when its voluntary Rate Review Program was implemented.

All but two of the states hospitals participate in the MHA program. As of June 1, 1976, 43 hospital budgets had been reviewed. Increases ranged from 4.3 to 17.2 percent.

The Rate Review Panel is made up of hospital representatives, insurance company representatives and consumers.

PICNIC DATE SET

The St. Cloud Hospital's Annual Picnic will be held Saturday, August 28, 1976 at the Sauk Rapids Municipal Park.

The picnic is open to all Hospital Employees, Medical Staff, Board of Trustees members, Volunteers, Students, and their families.

This year's picnic will feature a number of games and activities for the children and adults. Lunch will be served from 12:00 noon - 2:00 p.m. and dinner will be served from 5:00 p.m. - 7:00 p.m.

Inside The Beacon . . .

The St. Cloud Hospital recently added two new members to its Board of Trustees. Bernard Gruenes and Dwight E. Jaeger will be assuming the positions being vacated by Jerry Weyrens and Everett J. Schmitz, M.D. For the entire story, see . . . page 7

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1976 School of Nursing
Graduating Class page 6

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Medical Staff News...

Dr. Koop named Chief of Staff

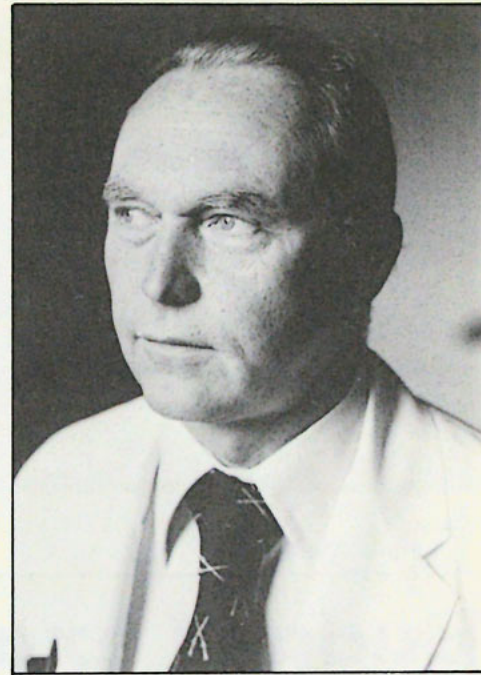
Severin Koop, M.D. will serve as Chief of the St. Cloud Hospital's Medical Staff for the 1976-77 fiscal year. Dr. Koop replaces William Rice, M.D. whose term of office has expired.

A native of Richmond, Minnesota, Koop has been an Otolaryngologist (eye, ear, nose, and throat specialist) on the Hospital's medical staff since 1966. He is a graduate of the University of Minnesota Medical School and is in practice with St. Cloud Ear, Nose & Throat Clinic in St. Cloud. Koop is a member of the Stearns/Benton County Medical Society and serves as Vice-Speaker of the House of Delegates for the Minnesota Medical Society. He is also a member of the American Medical Association.

As the Chief of Staff, Dr. Koop

will be responsible for presiding over hospital medical staff meetings, working directly with the hospital's administration and other departments of the medical staff in determining medical policies, and for serving as a liaison between the medical staff and the Board of Trustees.

Serving as Chief of Staff Elect for the upcoming year is Roger A. Rovelstad, M.D. Dr. Rovelstad is a graduate of the Northwestern University School of Medicine and has been a member of the Hospital's Medical Staff since 1969. A surgeon, Dr. Rovelstad is associated with St. Cloud Surgical Associates, Ltd. As Chief of Staff Elect, Rovelstad is scheduled to become Chief of Staff next year.



Severin Koop, M.D., Chief of Staff is pictured above. Koop begins his duties as Chief of Staff July 1, 1976.

Hospital physicians serve on State and National level

Two members of the St. Cloud Hospital's Medical Staff have recently been elected to posts with the state and national medical associations.

Severin Koop, M.D., Otolaryngologist, and SCH Chief of Medical Staff, has been re-elected as Vice-Speaker of the House of Delegates of the Minnesota Medical Association (MMA). He will serve in this position for one year.

As the Vice-Speaker, Koop is responsible for attending the House of

Delegates meetings, which are held twice each year, and to preside over the meetings in the event the Speaker is unable to attend. The House of Delegates is the policy making body for the State Medical Association.

Henry M. Broker, M.D., Surgeon, has been elected to serve a one year term as Alternate Delegate to

the American Medical Association (AMA). As an alternate delegate, he will fill in for one of Minnesota's four delegates to the AMA Conference in the event the first delegate cannot attend. The delegates are responsible for expressing the AMA's opinions and decisions at the national level.

FROM THE ST. CLOUD HOSPITAL KITCHENS

POTATO SALAD

This month's recipe from the SCH Kitchen provides a welcome addition to any summer's day picnic.

- | | |
|----------------------------------|------------------------------------|
| 4 cups — Potatoes, cooked, cubed | 1 teaspoon — Mustard, dry |
| 2 cups — Celery, diced | 1 teaspoon or more to taste — Salt |
| 2 tablespoons — Onion, chopped | ¾ cup — Dressing |
| 2 — Eggs, hard cooked, sliced | ¾ cup — Miracle Whip |
1. Mix potatoes, celery & onion.
 2. Add mustard and salt to dressing.
 3. Combine dressing and Miracle Whip, add to potatoes.
 4. Fold in eggs.

DRESSING —

- | | |
|-----------------|----------------------|
| 4 — Eggs, whole | 1 cup — Vinegar |
| 1 cup — Sugar | 2 cups — Half & Half |
1. Beat eggs. Add cream and whip until thickened.
 2. Combine vinegar and sugar and bring to a boil.
 3. Add egg mixture to vinegar and sugar. Cook until eggs are cooked. Makes a thin mixture.
 4. Cool. Refrigerate. Use as needed.

PHYSICIAN'S
MEMORIAL FUND

A Physician's Memorial Fund has been established to honor physicians who have distinguished themselves through services to patients at the St. Cloud Hospital. Funds are used for continuing medical education, scholarships and research. Additional information can be obtained by contacting the Medical Staff Office, St. Cloud Hospital, 251-2700-ext. 139.

"There's one other uncontrollable, unpredictable, incalculable force which is effecting the cost of health care — the regulations placed upon us by the government . . . Their results, in many cases, have been to reward hospitals for high costs of operation, rather than for low cost practices."



COMMENT

by Gene S. Bakke
Executive Vice President

Why the increase?

Here at Saint Cloud Hospital, we are making many, many attempts to keep the cost of providing health care to a minimum. We are using a system of staff scheduling that relates patient needs to the staff required to meet those needs, assuring that we do not over staff (or under staff) our nursing units and other patient care areas. Most of what we buy is purchased on the basis of competitive bid. In addition, we use productivity indices in all departments and units of the Hospital, have established a system of quality control in most departments, and are continually doing cost-benefit studies to make sure that we use our health care dollars wisely.

But the costs keep going up. This year, our operating budget increased by 2.6 million dollars . . . to \$20,924,277. Here are some of the reasons for that budget, increase:

- Our Worker's Compensation and Unemployment Benefit premiums increased by 28%
- The federal legislation recently passed by Congress (ERISA) is directly attributable to an increase in our Retirement Program costs of 33%
- Our health insurance premiums increased by 23% - our Social Security tax increased by just over 4%

In dollars, these increases alone amount to \$421,900. In spite of our efforts at cost control, and in spite of the good work record our employees maintained, it is not possible for us to control the costs of these programs.

Inflation had an additional effect in rising costs for food, drugs, utilities, and supplies, adding another \$281,438 to our budget.

We also have an obligation in justice and fairness to our 1450 employees to maintain salaries and wages at comparable levels to those locally and in the area, taking into account increases in the cost of living as one of the factors. An annual wage adjustment, plus added staff which will be necessary to provide expanded services to our patients, added another \$1,553,520.

Finally, we need to set aside money for new equipment and services. This year, we have budgeted

3% of our total income (\$647,923) for this purpose, a figure that the Hospital's auditors have cautioned is a bare minimum if we expect to meet future capital needs. Nationally, most hospitals use a 5% guideline, which if applied to our situation, would have returned \$1,046,214 instead of the lower figure we decided upon.

There's one other uncontrollable, unpredictable, incalculable force which is effecting the cost of health care — the regulations placed upon us by the government.

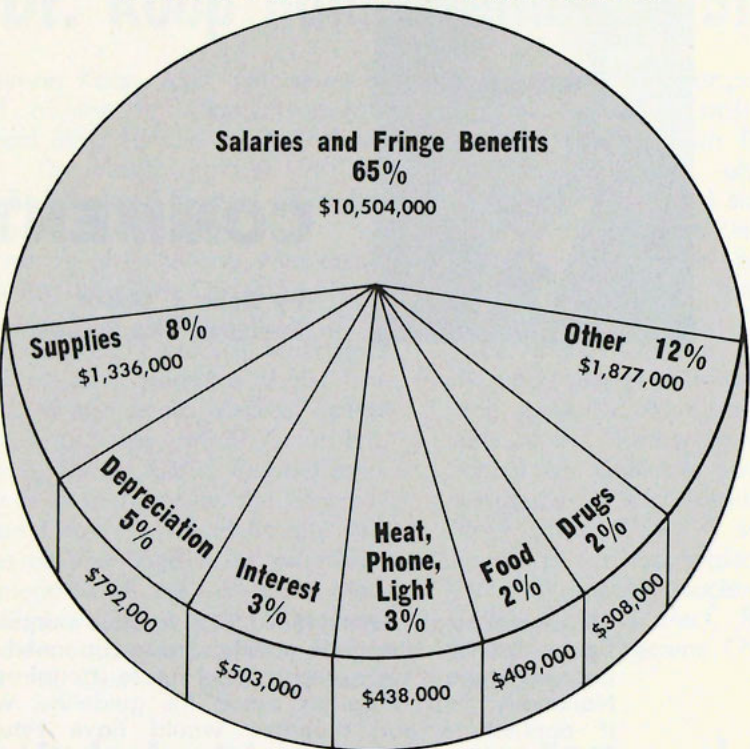
Since the introduction of the Medicare Program in 1966, government regulations have literally entwined themselves around nearly every function in the Hospital. Not only are more regulations appearing with every session of Congress or our State Legislature, but what is even worse, existing regulations keep being modified or expanded. Changes come so fast, in fact, that I would guess most hospital administrators could not explain the latest ones. Unfortunately, neither can the people who are assigned to enforce them.

Attempting to comply with proliferating government regulations means much additional time spent by more hospital personnel, causing a higher payroll and higher costs to the patient. In addition to increased Hospital costs, of course, are the tremendous costs of staffing and operating expanded government bureaus, and agencies, or the creation of new ones, to implement and enforce the regulations. Without going into detail, our experience with government regulations indicates the majority of them are burdensome, costly to implement inappropriate, poorly interpreted and inadequately enforced. Their results, in many cases, have been to reward hospitals for high costs of operation, rather than for low cost practices.

It would appear that any further attempt to control health care costs ought to begin with an effort to curtail the costs of forced compliance with typically inappropriate and ineffective regulations — the aftermath of usually well-intentioned, but often misdirected, government intervention.

Where the dollars go

HOSPITAL OPERATING COSTS

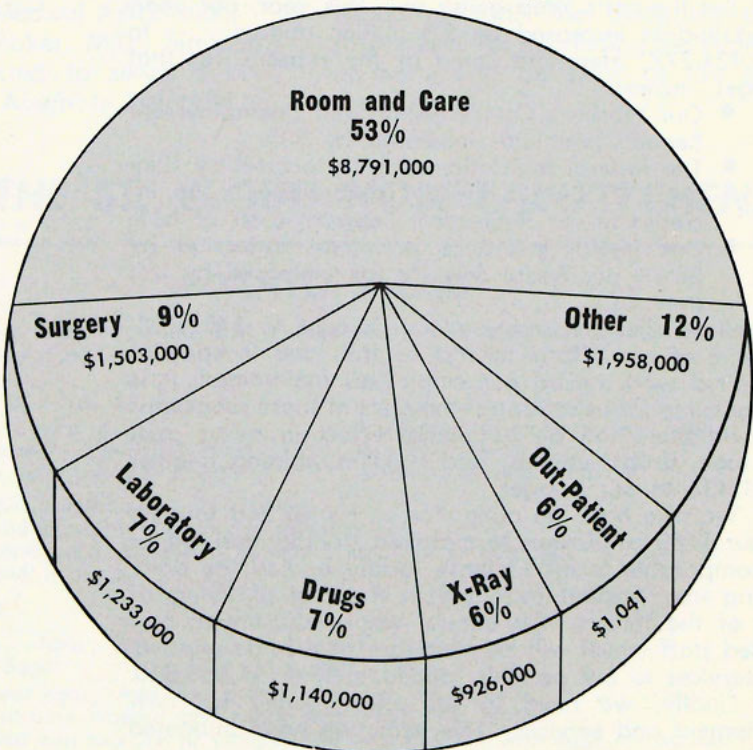


FISCAL YEAR ENDED — JUNE 30, 1975
Total Hospital Operating Costs — \$16,167,000

Where the dollars come from

The money needed to meet the ever increasing costs is received through patient charges. The graph shown, right, points out that during the 1974-75 fiscal year, a little more than half of the hospital's income — 53% on 8,791 million was made up of patient's room and nursing care charges. "Other" charges which added another 12% or \$1,958 million to the total income, included such things as Nursery and Delivery Room charges, Anesthesia, Post-Anesthesia Recovery, EEG-ECG tests, Respiratory Therapy treatments, Central Service supplies and Rehabilitation treatments. Laboratory tests, X-rays, drugs and surgery provided for another \$4.8 million. After all the costs had been met, the graphs show another \$425,000 remaining. Because the St. Cloud Hospital is a non-profit organization, these dollars are kept in the hospital and are used to purchase new equipment or new medical services enabling the hospital to continually update the care and services it provides to area residents.

PATIENT CHARGES

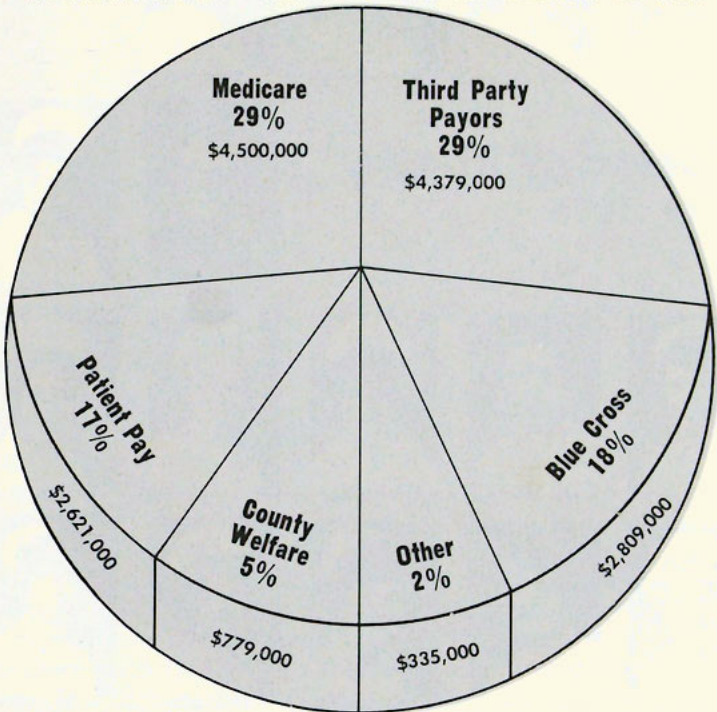


FISCAL YEAR ENDED — JUNE 30, 1975
Total Patient Charges — \$16,592,000

There are no two ways about it, hospitals are expensive — expensive to use and expensive to operate. They remain open to provide medical treatment to persons needing care 24 hours a day, 365 days each year. Because patients are people, each with special needs, they require other special people with sophisticated equipment to care for them. Consequently, 1,450 employees work at more than 300 different specialized jobs at the St. Cloud Hospital. More than 63% of the 1,450 people have received post-high school training in a specific medically related field. The graph shown (left) indicates the St. Cloud Hospital's Operating Costs for the 1974-75 fiscal year. The largest expense for the entire year was for people. Employee salaries and fringe benefits accounted for \$10,504 million or 65% of the total operating cost. The rest of the costs involve the requirements of day-to-day operation and include: supplies, utilities — power, telephone, sewer and water — food, expanded services, insurance premiums, workers compensation — the same items, at about the same price that other businesses require to function.

Who pays the bill

PAYMENTS ON PATIENT ACCOUNTS



FISCAL YEAR ENDED — JUNE 30, 1975
Total Payments on Patient Accounts — \$15,423,000

Consumers identify health care priorities

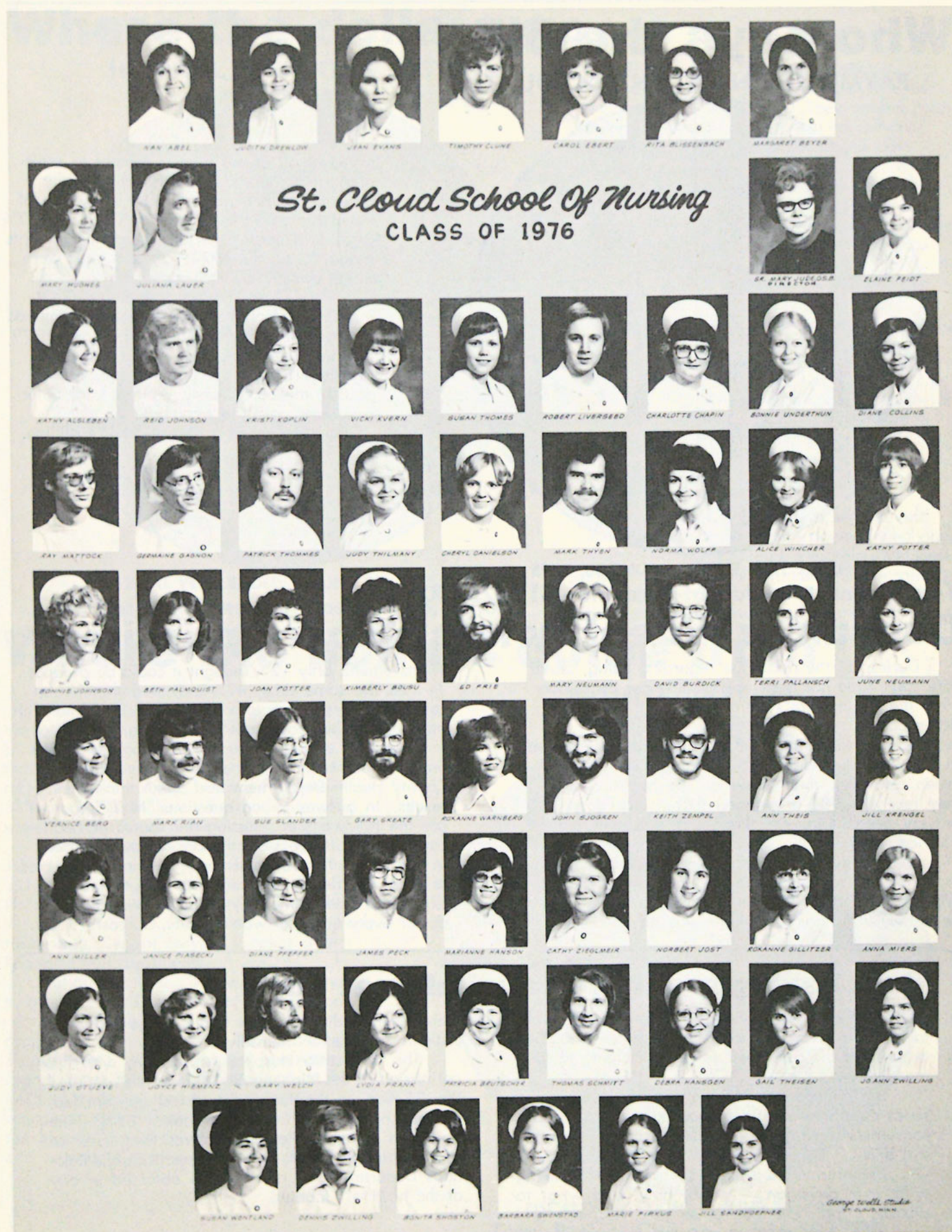
During all the harangue regarding rising health care costs, little has been said about how consumers view the health care system in which they are an active part. Not too long ago, 998 Minnesotans participated in a poll conducted by Mid Continent Surveys, Inc. When asked for their views on the health care they received, 90% responded that it was good or very good. Only 6% thought it was poor, 4% had no opinion. The survey also indicated that 88% had no problems getting health care when they needed it. When asked how they thought health care could be better, 30% indicated there was no need for

improvement, only 12% thought it could be cheaper. At the same time, 49% indicated that health care costs were average or low when compared with other things like food, shelter, clothing, or fuel. Another survey conducted at about the same time in Southeastern Minnesota by the Olmsted County Health Department had about the same results. In answer to the question: "How important are the following in selecting the source of health care for major illnesses," the answers were listed in this order: 1) quality of care; 2) immediate access to care; 3) friendly environment; 4) previous experience with same physician; 5) seeing same doctor every time; 6) waiting time; 7) cost.

Cost saving brochures available at SCH

The high cost of living has prompted the public to become more conscious consumers. Shopping around for the best possible buy is helping to save money. The **Minneapolis Tribune** recently published a series of articles regarding hospital costs and steps consumers can follow to help save money on medical bills. The information includes 25 tips, such as talking with your physician — when, how, and what to discuss, a practical look at surgery, hospitals and

their role in health care, how to buy drugs and what patients can do for themselves. The Minnesota Hospital Association, with the permission of the **Minneapolis Tribune**, has reprinted the 25 tips in the form of a brochure, entitled, "Advice For Saving On Your Medical Bills." The pamphlet is available to area residents free of charge through the St. Cloud Hospital's Public Relations Department. It can also be obtained in any of the hospital's lobbies.



The Chaplain's Corner

by Sister Georganne Burr, O.S.B.



Sr. Georganne

Faith experiences need to be shared

It is sometimes said that love isn't love until you give it away and share it. Faith is like that, too. As a community of believers we need to share our faith with others to deepen our own faith as well as our fellow believers.

God permits our faith to be tested at times, perhaps because we take it for granted. The faith of Abraham was tested when he was asked to sacrifice his son Isaac. Painful as it was, Abraham was willing to be obedient and continue to trust God even when what He was asking made no sense to him. It seems that what the Lord really wanted from Abraham was a manifestation of his faith and a willingness to be obedient, then He removed the painful command from him. The account from Genesis states:

"Then the Angel of God called again to

Abraham from heaven. I, the Lord, have sworn by myself that because you have obeyed me and have not withheld even your beloved son from me, I will bless you with incredible blessings. . . ." (Genesis 22:15-17)

I think at times we too experience the call of the Lord in our lives in ways we simply don't understand. It all seems so impossible to accept, as long as we spin our wheels! Only after we willingly say "yes" to God's will does our life situation fall into place and trials become blessings. Let's be willing to share the joys and sorrows we experience as believer in order to build up the community of faith. The psalm writer says, "I believe and therefore I speak."

Hospital welcomes new Board members

Bernard Gruenes and Dwight E. Jaeger, M.D. have been named as new members of Saint Cloud Hospital's Board of Trustees.

Gruenes was elected to the Hospital's governing Board to replace Jerry Weyrens whose term had expired. Weyrens served on the Board for the past six years. Dr. Jaeger will be replacing Everett J. Schmitz, M.D. whose term had also expired. Dr. Schmitz served on the Board for six years.

Gruenes is currently a vice-president of the Plaza Park State Bank and a member of the Bank's Board of Directors. He is also President of the local Sertoma Club, President of the Opportunity Training Center and Chairman of the St. Cloud Diocese Opus Day fund drive.

Dr. Jaeger is an Orthopedist and is associated with St. Cloud Orthopedic Associates, Ltd. He served as the Saint Cloud Hospital's Chief of Medical Staff in 1973-74.

He completed his undergraduate training at Gustavus Adolphus College in St. Peter before graduating from the University of Minnesota Medical School in 1957. Following an Internship in Ancker Hospital in

St. Paul, he practiced medicine for five years in his home town of Mountain Lake. He joined the St. Cloud Hospital's Medical staff in 1966.



Dwight E. Jaeger, M.D.



Bernard Gruenes

From the Auxiliary

Auxiliary Donates \$10,000 to Hospital

The Saint Cloud Hospital Auxiliary has provided an additional \$10,000 to be used toward the purchase of telemetry equipment for the Saint Cloud Hospital's cardiac care program.

According to Mary Weyrens, past Auxiliary President, the money was raised through the operation of the Auxiliary Gift Shop at the Hospital and through other special projects the Auxiliary has sponsored.

Earlier this year, the Auxiliary had presented the Hospital with \$6,000 which was raised as a result of the first annual Winter Wonderland Ball. This brings the Auxiliary's contribution to the telemetry equipment to \$16,000.

Telemetry equipment is used to monitor the heart beat of patients.

The money was presented to Gene S. Bakke, Executive Vice President of the Saint Cloud Hospital at the Auxiliary's Annual Meeting and Awards Luncheon.

New officers were also named for the upcoming year. New Auxiliary President is Carol Pool; President Elect, Lorraine Weiler; Vice President, Del Maslinkowski; Corresponding Secretary, Gini Pleticha; Recording Secretary, Carol Mackinac; Treasurer, Elsie Sand.

A total of 110 awards were pre-

sented to Auxilians and other volunteers who serve at the Hospital.

The Minnesota Hospital Auxiliary Association (MHAA) will be meeting at the St. Cloud Hospital, Wednesday, August 18, 1976. Miriam Bohmer, MHAA Vice-President and SCH Auxiliary member will be hosting the meeting. The Board members will discuss Auxiliary participation in the Minnesota Hospital Association's Leadership Workshop to be held at Cragun's Resort this Fall.



Gene S. Bakke, SCH Executive Vice-President, is pictured above accepting two checks for \$5,000 each from Mary Weyrens, former Hospital Auxiliary President. The money will be used to offset the cost of telemetry equipment in use at the St. Cloud Hospital.

Plans begin for second annual Ball

Plans for the second annual Auxiliary Ball are now being made, according to Mrs. Bernice Landy, St. Cloud Hospital Auxiliary member and co-chairman for the Ball's planning committee. Other persons co-chairing the event include Mrs. Helen Catton, representing the St. Cloud Dental Auxiliary and Mrs. Pat Cumming, representing the Stearns/Benton Medical Auxiliary.

The title for this year's event is, "Americana Ball." Decorations and activities will center around the "Early America" theme.

The Ball is set for Saturday, November 13, 1976. According to the committee, all proceeds will again be used toward offsetting the cost of telemetry equipment for the St. Cloud Hospital's Cardiac Care program.

Beacon Light

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